

FEB 9 1983

ALEXANDER L. STEVAS,
CLERK

IN THE
Supreme Court of the United States
OCTOBER TERM 1982

SHARON STEEL CORPORATION, et al.,

Petitioners,

—v.—

THE CHASE MANHATTAN BANK, N.A., et al.,

Respondents.

BRIEF OF INDENTURE TRUSTEES AND INTERVENING DEBENTUREHOLDERS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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QUESTION PRESENTED

Did the United States District Court for the Southern District of New York (Werker, J., presiding) and the United States Court of Appeals for the Second Circuit (Feinberg, C.J., Newman, and Winter, JJ., presiding) misconstrue a boilerplate contractual provision in unanimously rejecting the claims of Sharon Steel Corporation ("Sharon Steel") that

- (a) its purchase of the remaining assets of UV Industries, Inc. ("UV"), in connection with UV's liquidation and piecemeal disposition of assets, constituted a purchase of "all or substantially all" of UV's assets, as that phrase is used in four separate trust indentures and lease guaranties whose terms are expressly governed by the laws of Michigan, New York and Mississippi, and
- (b) it is thus entitled to act as successor obligor to UV under the indentures and lease guaranties?

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FOR A WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT**

Indenture Trustees The Chase Manhattan Bank, N.A., Manufacturers Hanover Trust Company and Union Planters National Bank of Memphis (the "Indenture Trustees") and an intervening class of holders of certain UV debentures (the "Intervenors") submit this Brief in Opposition to Sharon Steel's and UV's Petition for a Writ of Certiorari.¹

STATEMENT OF THE CASE

This action arises out of Sharon Steel's efforts to have itself declared successor to UV under the successor obligor provi-

¹ A listing of parents, subsidiaries, and affiliates of the Indenture Trustees and Intervenors pursuant to Sup. Ct. R. 28.1 is annexed hereto as Appendix A.

sions of four separate trust indentures and lease guaranties governing certain outstanding public debt obligations of UV.² Those provisions mandated that Sharon Steel could not succeed as obligor to UV unless it could demonstrate that it had purchased "all or substantially all" of the assets of UV.³ Sharon Steel claimed it had made such a purchase. The Indenture Trustees, charged with enforcing the terms of the indentures and lease guaranties and safeguarding the rights of the public debtholders of UV, refused to recognize Sharon Steel as successor obligor because its purchase of a portion of UV's assets, as part of UV's piecemeal disposition of assets pursuant to a voluntary plan of liquidation and dissolution, failed to satisfy the terms of the indentures and lease guaranties.

The courts below ruled in favor of the Indenture Trustees and Intervenors, finding that UV, having voluntarily adopted a plan of liquidation and dissolution and thereafter distributing \$274 million to its shareholders, disposed of its assets in three large segments to three different purchasers, no one of which bought "all or substantially all."

On March 26, 1979, UV's shareholders approved (i) the adoption of a voluntary plan of liquidation and dissolution requiring the sale of the assets of UV within a 12-month period, and (ii) the sale of UV's principal subsidiary, Federal Pacific Electric Company ("Federal"), for \$345,000,000 to a subsidiary of Reliance Electric Company. The following day, UV filed its Statement of Intent to Dissolve⁴ with the Secretary

2 The trust indentures and lease guaranties are described in the Court of Appeals' opinion, *Sharon Steel Corp. v. Chase Manhattan Bank, N.A.*, 691 F.2d 1039, 1042-45 (2d Cir. 1982), Petitioners' Appendix ("Pet. App.") A at 5a-11a.

3 The standard successor obligor provisions are quoted in full in the Court of Appeals' opinion, 691 F.2d at 1043-45 nn.4-8, Pet. App. A at 7a-10a nn.4-8.

4 Petitioners argue that the indentures and lease guaranties "give no significance to the adoption of a plan of voluntary liquidation." This argument ignores the legal consequences imposed by the corporation law of Maine which has adopted the Model Business Corporation Act.

(Footnote continued on following page.)

of State of Maine, its state of incorporation, and two days thereafter consummated the sale of Federal. (In 1978, Federal generated 60% of UV's operating revenues and 81% of its operating profits. It constituted 44% of the book value of UV's assets and 53% of operating assets.) Approximately a month later UV made an initial \$18 per share liquidating cash distribution to shareholders (totalling approximately \$274 million) from the proceeds received from the sale of Federal. 691 F.2d at 1045-46, Pet. App. A at 11a-12a.

In October 1979, as the next step in the implementation of its plan of liquidation, UV sold most of its oil and gas properties to Tenneco Oil Company for \$135 million in cash. (In 1978, UV's oil and gas properties had produced 2% of its operating revenues and 6% of operating profits and accounted for 5% of book value assets and 6% of operating assets.) 691 F.2d at 1046, Pet. App. A at 11a, 14a.

Finally, in November, 1979, Sharon Steel proposed to buy what remained of UV's assets. UV and Sharon Steel entered into an "Agreement for Purchase of Assets" (the "Purchase Agreement") and an "Instrument of Assumption of Liabilities" (the "Assumption Agreement") on November 26, 1979. Under the Purchase Agreement, Sharon Steel acquired all of the assets owned by UV on November 26, which consisted of UV's Mueller Brass subsidiary and metals mining assets (which together in 1978 produced 13% of profits, 38% of revenue and constituted 34% of book value assets and 41% of operating assets), and \$322 million in cash or the equivalent. Sharon Steel's purchase price of \$518 million was comprised of \$411 million of Sharon Steel subordinated debentures due in 2000 (then valued at 86% or \$353,460,000) plus \$107 million in

(Footnote continued from previous page.)

With the filing of its Statement of Intent to Dissolve, UV ceased to be a going business enterprise, its powers being limited to discharging its contracts; marshalling its assets; and paying, satisfying and discharging its liabilities. 13-A Me. Rev. Stat. Ann. §§ 1105, 1106.3 (1971). And, of course, the actual liquidation of UV without payment of its public debt is a default under the indentures and lease guaranties. See *Sharon Steel Corp. v. Chase Manhattan Bank, N.A.*, 521 F. Supp. 118, 122-23 (S.D.N.Y. 1981).

cash. 691 F. 2d at 1046, Pet. App. A at 11a, 14a-15a. As the Second Circuit observed, approximately 23% of the "purchase price," \$107 million, was merely a swap of cash for cash. 691 F.2d at 1051, Pet. App. A at 21a.

Under the Assumption Agreement, Sharon Steel assumed UV's liabilities, including UV's public debt. Upon its execution, UV unilaterally announced that it had no further obligations under the indentures or lease guaranties, and Sharon Steel delivered to the Indenture Trustees supplemental indentures and assumptions of lease guaranties, seeking recognition of Sharon Steel as successor obligor to UV. The Indenture Trustees refused to sign these documents and this litigation ensued. 691 F.2d at 1046-47, Pet. App. A at 15a. The diversity jurisdiction of the federal district court in New York was invoked to obtain enforcement of the successor obligor provision of the indentures and lease guaranties.⁵

Prior to trial, Sharon Steel successfully opposed the Indenture Trustees' and Intervenor's motion for summary judgment by asserting that the meaning of the successor obligor provision of the indentures and lease guaranties, and the intent of the parties with respect to its interpretation, were unclear, and raised genuine issues of fact as to which it had the right to present extrinsic evidence to a jury. *See Sharon Steel Corp. v. Chase Manhattan Bank, N.A.*, 88 F.R.D. 38, 43 (S.D.N.Y. 1980). Agreeing that the disputed provision "was not wholly unambiguous," and giving Sharon Steel every benefit of the doubt, the district court, during an 11-day trial, allowed it to present "voluminous testimony and other evidence," 691 F.2d at 1047, Pet. App. A at 17a, to a jury as to interpretation and intent of the parties. In the course of that presentation, expert witnesses testified that the facts surrounding Sharon Steel's

⁵ In an amended complaint, Sharon Steel also asserted that the Indenture Trustees' and Intervenor's conduct had violated the federal antitrust laws and invoked the jurisdiction of the district court under those statutes. The Second Circuit determined that "Sharon's antitrust claims border on the frivolous." 691 F.2d at 1052, Pet. App. A at 27a.

purchase of UV's assets (with respect to which the successor obligor provision was to be interpreted) were unique in their experience. 691 F.2d at 1048, Pet. App. A at 20a.

At the close of Sharon Steel's case, the district court found that Sharon Steel had failed to establish a *prima facie* case with respect to its claim of entitlement to be recognized as successor obligor to UV. In two carefully reasoned decisions, the United States District Court for the Southern District of New York (Werker, J., presiding) granted a directed verdict and summary judgment in favor of the Indenture Trustees and Intervenors, *Sharon Steel Corp. v. Chase Manhattan Bank, N.A.*, 521 F. Supp. 104 (S.D.N.Y. 1981) (granting motion for directed verdict) and 521 F. Supp. 118 (S.D.N.Y. 1981) (granting motion for summary judgment), and the United States Court of Appeals for the Second Circuit (Feinberg, C.J., Newman, and Winter, JJ., presiding) unanimously affirmed. 691 F.2d 1039 (2d Cir. 1982).

REASONS FOR DENYING THE WRIT

This petition for a writ of certiorari involves nothing more than the interpretation under state law of a boilerplate contract provision, the meaning of which was "not wholly unambiguous." 88 F.R.D. at 43. As such, the petition presents no "special and important reasons" that should lead this Court to exercise its discretion and undertake a review of the unanimous decision of the Second Circuit, *see* Sup. Ct. R. 19, a conclusion that is only reinforced by this Court's previous denials of petitions for writs of certiorari in actions such as *Broad v. Rockwell Int'l Corp.*, 642 F.2d 929 (5th Cir.) (en banc), *cert. denied*, 454 U.S. 965 (1981), and *Pittsburgh Terminal Corp. v. Baltimore & Ohio R.R. Co.*, 680 F.2d 933 (3d Cir. 1982), *cert. denied*, 51 U.S.L.W. 3409 (U.S. Nov. 29, 1982) (No. 82-622), upon which Sharon Steel so heavily relies.⁶

⁶ Unlike those two actions, this action involves no claimed violation of the federal securities laws, but only a dispute as to proper interpretation of a contract provision under relevant state law.

Despite Sharon Steel's assertion to the contrary, nothing in the Second Circuit's decision herein conflicts with the Fifth Circuit's decision in *Broad v. Rockwell Int'l Corp.* In *Broad v. Rockwell Int'l Corp.*, the Fifth Circuit was required to interpret an indenture provision relating to debenture holders' conversion rights, which was held to be unambiguous, and decide whether it should ignore the plain meaning of that provision. The Fifth Circuit declined to do so under established rules of contract interpretation. In this action, the Second Circuit was required to interpret a substantively different indenture provision that was asserted and determined to be "not wholly unambiguous," 88 F.R.D. at 43, and determine, in light of unique factual circumstances, its correct interpretation under equally well-established principles of contract interpretation. See *Cromwell Towers Redev. Co. v. Yonkers*, 41 N.Y.2d 1, 6, 359 N.E.2d 333, 337, 390 N.Y.S.2d 822, 826 (1976). In engaging in this judicial exercise, the Second Circuit expressly acknowledged the teaching of *Broad v. Rockwell Int'l Corp.* regarding the interpretation of indentures and avowed its intention to follow that teaching. 691 F.2d at 1048, Pet. App. A at 19a. Whatever differences may exist between the Fifth Circuit's decision in *Broad v. Rockwell Int'l Corp.* and the Second Circuit's decision herein, they in no way represent a conflict in legal conclusions or methods of analyses, but only differences that would necessarily result from any court's proper interpretation of contract provisions quite different in substance and ambiguity.

Similarly, despite Sharon Steel's intimations to the contrary, nothing in *Pittsburgh Terminal Corp. v. Baltimore & Ohio R.R. Co.* suggests any conflict either with the Second Circuit's decision herein or between the latter decision and the Fifth Circuit's decision in *Broad v. Rockwell Int'l Corp.*

Just as this petition involves no conflict between decisions of courts of appeal on the same matter, it likewise involves no error on the part of the Second Circuit in the resolution of any federal policy or state law question or any departure from the accepted and usual course of judicial proceedings. See Sup. Ct. R. 19. There is no unique issue of federal law involved. As

noted above, the issue here is one of contract construction under state law in circumstances where Sharon Steel itself asserted the lack of clarity of the contract provisions, its own witnesses conceded the uniqueness of the factual circumstances in light of which the provisions were to be interpreted, and there was a failure of proof on the part of Sharon Steel. In resolving the asserted ambiguity and interpreting the disputed provisions, the Second Circuit set forth a clear holding that protects the interests of both debtors and creditors and that will guide counsel and clients should this unique issue ever arise again. 691 F.2d at 1051, Pet. App. A at 26a. The charge that such a result "will no doubt breed litigation," Petition at 15, is misplaced.

Finally, in resolving the ambiguity Sharon Steel asserted existed, the lower federal courts made no mistake. Their conclusion is in complete accord with the "single reported decision construing a successor obligor clause, *B.S.F. Company v. Philadelphia National Bank*, 204 A.2d 746 (Del. Sup. Ct. 1964)." 691 F.2d at 1050, Pet. App. A at 23a. Moreover, in rejecting the interpretation of the successor obligor provisions proffered by Sharon Steel, the courts rejected not so much a literal reading of the indenture and lease guaranty provisions as an illogical reading, unsupported by fact or law.⁷ As the district court pointed out, Sharon Steel's approach:

[c]arried to its logical conclusion . . . would enable the final purchaser of the assets of a corporation engaged in a plan of liquidation to claim that it is the successor corporation because it purchased all the assets possessed by the selling corporation on the date of sale, regardless of how infinitesimal those assets were as compared to the total assets of the corporation. Such a result clearly would

⁷ Sharon Steel's reference to other optional asset restrictions that supposedly could be, but are not, in the indentures—and are customarily not included in public debt indentures—is irrelevant (Petition at 12). As *Commentaries on Model Debenture Indenture Provisions* demonstrates, these optional asset restrictions are only a means of restricting lesser transfers than those covered by the successor obligor provision. American Bar Foundation, *Commentaries on Model Debenture Indenture Provisions* 423-25 (1971).

leave the bondholders of a corporation without any protection, thereby defeating the purpose of the successor corporation provisions.

521 F. Supp. at 114, Pet. App. B at 48a-49a. In affirming the district court, the Second Circuit expressed an identical concern about the interpretation Sharon Steel sought to impose on the indenture and lease guaranty provisions. 691 F.2d at 1051, Pet. App. A at 25a-26a.

CONCLUSION

For the reasons set forth above, the Indenture Trustees and Intervenor respectfully request this Court to deny the petition for a writ of certiorari.

February 8, 1983

Respectfully submitted,

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Appendix A**Rule 28.1 Listing of Parents, Subsidiaries, and
Affiliates of Respondents**

THE CHASE MANHATTAN BANK, N.A.

AOI Lease Co., Ltd.

Acero Estructural del Tolima, Ltda.

Addison Road Properties Corp.

Agrob Ceramics, Inc.

Ahoramas Corporacion de Ahorro y Vivenda

Alaccept Ltd.

Alexandria House Inc.

Alkmaarsche Bank N.V.

Alliance Acceptance Co., Ltd.

Alliance Acceptance (Wholesale) Pty., Ltd.

Alliance Acceptance (Qld) Ltd.

Alliance Commercial Finance Ltd.

Alliance Credit (ESW) Pty., Ltd.

Alliance Credit (W.A.) Pty., Ltd.

Alliance Finance (Leasing) Pty., Ltd.

(Formerly Oxford Alliance Pty., Ltd.)

Alliance Holdings Limited

Alliance-Pibete Unit Trust

Almacenadora Del Comercio De Depositos Generales, S.A.

Almacenera Del Peru, S.A.

Amanah Chase Merchant Bank Berhad

Amsterdamse Mij Tot Stadsherstel N.V.

Annbrook, Inc.

Anne Street Corp.

Ardev Corporation

Arnica Pty., Limited

Arrendacima, C.A.

Arrendadora Cremi, S.A.

Arrendamiento Y Credito, S.A.

Atlantic Bank, Ltd.

Augusta Regency, Inc.

Azucarera Central, S.A.

Banco Atlantida, S.A.
 Banco Central Hipotecario
 Banco De Investimentos Lar Brasileiro, S.A.
 Banco Del Comercio
 Banco Del Comercio (Panama), S.A.
 Banco Hipotecario Dominicano, S.A.
 Banco Lar Brasileiro, S.A.
 Banco Latinoamericano de Exportaciones, S.A.
 Banque De Commerce, S.A.
 Banque De Reescompte Et De Placement
 Banque Ivoirienne De Developpement Industrial
 Beesley, John Developments
 Belgo Factors, N.V.
 Belle Haven East Apartments Corp.
 Berkeley Service Corporation
 Berkley Road Land Corp.
 Beta Predial Limitada
 Beverly Bay Corporation
 Bourke Street Nominees Pty., Ltd.
 Bouw-en Exploitatiemaatschappij van Onroerende Goederen
 Bomij B.V.
 B.V. Administratiekantoor van de Nederlandse Credietbank
 N.V.
 B.V. Algemene Mij "ALMIJ"
 B.V. Exploitatiemaatschappij van Onroerende Goederen
 "KAMIJ"
 B.V. Factor—Maatschappij Nederland
 B.V. Financieringemaatschappij De Eerste Utrechtse
 B.V. Maatschappij Tot Exploitatie van Kantoorlokalen En
 Andere Onroerende Goederen
 CCC Holding, Inc.
 CMRCC, Inc.
 CNG International Limited
 Calabar Veneer & Plywood Ltd.
 Canudos Limited
 Casa Propria Asociacion De Ahorro Y Prestamo, S.A.
 Casa Y Terrenos, S.A.
 Cedar Holdings Inc.

Centennial Projects Pty. Ltd.
 Centrale De Livraison De Valeurs Mobilières, (Cedel) S.A.
 Cervceria Hondurena, S.A.
 Chase Agency Services, Inc.
 Chase Bank A.G.
 Chase Bank S.A.
 Chase Bank & Trust Co. (C.I.) Limited
 Chase Bank Cameroon, S.A.
 Chase Bank International
 Chase Bank (Ireland) Ltd.
 Chase Commercial Corporation
 Chase Commercial Corporation of New York
 Chase Company, Inc., The
 Chase Econometrics/Interactive Data Corp.
 Chase Finanziaria, S.p.A.
 Chase Home Mortgage Corporation
 Chase Home Mortgage Corp. of the Southeast
 Chase International Investment Corporation
 Chase Investors Management Corporation New York
 Chase Ireland (Nominees) Limited
 Chase Manhattan Bank Asia Limited
 Chase Manhattan Bank (Austria), A.G.
 Chase Manhattan Bank Luxembourg, S.A.
 Chase Manhattan Bank, N.A., The
 Chase Manhattan Bank (Switzerland)
 Chase Manhattan Bank of Canada
 Chase Manhattan Bank (U.S.A.), National Association
 Chase Manhattan Bank Oy
 Chase Manhattan Bank Bran-Air #1 Corp.
 Chase Manhattan Bank B-Air Holdings Corp.
 Chase Manhattan Capital Corporation
 Chase Manhattan Capital Markets Corporation
 Chase Manhattan Capital Markets (Holdings), Inc.
 Chase Manhattan Corporation
 Chase Manhattan Financial Services, Inc.
 Chase Manhattan Government Securities Inc.
 Chase Manhattan (Hong Kong) Nominees Limited
 Chase Manhattan Industrial Bank
 Chase Manhattan Leasing Canada, Ltd.

Chase Manhattan Leasing Corporation
Chase Manhattan Limited
Chase Manhattan (Singapore) Nominees Private Limited
Chase Manhattan of California, Thrift Corporation
Chase Manhattan of Utah
Chase Manhattan Overseas Banking Corporation
Chase Manhattan Overseas Corporation
Chase Manhattan Overseas Finance Corporation
Chase Manhattan Overseas Finance Corporation N.V.
Chase Manhattan Realty Capital Corporation
Chase Manhattan Realty Leasing Corporation
Chase Manhattan, S.A.
Chase Manhattan Service Corporation
Chase Manhattan Trust Cayman Limited
Chase Manhattan Trust Corporation Limited
Chase Manhattan Trust Corporation (Nominees) Limited
Chase Merchant Bankers Jamaica Limited
Chase Merchant Bank Nigeria, Limited
Chase Merchant Services Corporation
Chase National Bank (Egypt), S.A.E., The
Chase National Corporate Services, Inc.
Chase N.B.A. Finance, Ltd.
Chase N.B.A. Group Limited
Chase N.B.A. New Zealand Group Holdings, Ltd.
Chase N.B.A. New Zealand Group, Ltd.
Chase N.B.A. Securities, Limited
Chase N.B.A. Securities Limited New Zealand
Chase N.B.A. Underwriters Limited
Chase Nominees Ltd.
Chase Oil Company
Chase T/C Service Corp.
Chase Trade Finance, Ltd.
Chase Trade Information Corporation
Chase Trade Services, Inc.
Chase U.S. Consumer Services Inc.
Chiyoda Lease Co., Ltd.
Chulan Nominees Sdn. Berhad
Color Mate, Inc.

Colsquare Corporation
Compania Almacenadora, S.A.
Compania Azucarera Choluteca, S.A.
Compania Azucarera Hondurena, S.A.
Compania Azucarera Yogo S.A.
Compania De Bienes Atlantida, S.A.
Computer Power Inc.
Consolidated Nominees, Ltd.
Coombah Square Center Pty. Ltd.
Convertible Capital Advisory Company, S.A.
Corporacion Financiera De Caldas
Corporacion Financiera Del Tolima
Corporacion Financiera De Valle
Corporacion Forestal del Tolima
Corporacion Forestal e Industrial De Olancho
Corporacion Grancolombiana De Ahorro Y Vivienda, S.A.
Correctora De Seguros Lar Brasileiro Limitada
Country Meadows, Inc.
Cottontail Plaza, Inc.
Crec Inc.
Credit Guarantee Corporation—Malaysia Berhad
Cross River Mille Limited
Crystal Rivers Properties, Inc.
Dai Shi Lease Co., Ltd.
Desarrollo Industrial, S.A.
Diamond Lease Company Limited
Diamond Lease (Hong Kong) Limited
Dinant Limited
Diners Club Benelux, S.A.
Distribuidora de Titulos E Valores Mobiliarios Lar Brasiliario,
S.A.
Dominion Developments Pty. Ltd.
Durham Development Pty., Ltd.
Duval County Properties, Inc.
Edgewater Villa Properties, Inc.
Embassy House Properties, Inc.
Empire Holdings, Inc.
Equitable Nominees Ltd.

Essence Communications
 Essex-West Hillsborough Avenue Corporation
 Export Credit Insurance Corporation of Singapore
 F.W. Indiana Property Corp.
 Fabrica Nacional De Sacos, S.A.
 Filinvest Credit Corporation
 Filinvest Finance (H.K.) Ltd.
 Financeira Lar Brasileiro, S.A.
 Financerie d'Investissements et de Construction Immobiliere
 (FICI)
 Flick Developments Pty., Ltd.
 Fomento E Desarrollo del Norte, S.A.
 Fomento E Inversiones, S.A.
 Fort Dearborn Mortgage Company
 Fountain Crest Inc.
 Four Seasons of DeLand, Inc.
 G&G Developments Pty. Ltd.
 Glendale Galleria, Inc.
 Global Trading International Corporation, S.A.
 Greenlake Shopping Center, Inc.
 Groningse Maatschappij Tot Stadsherstel, N.V.
 HIC Management Corporation of Florida
 HIC Management Corporation of North Carolina
 HIC Sewer & Water Corporation of North Carolina
 Half Moon Towers of Miami, Inc.
 Hallandale Properties Inc.
 Handling Equipment Rentals Pty., Ltd.
 Harbour Town Development, Inc.
 Hayward—Route 28, Inc.
 Helensvale Commercial Centre Pty., Ltd.
 Helensvale Estates Proprietary Limited
 Hickory Lakes of Brandon, Inc.
 Hilton Hotel Maatschappij Amsterdam
 HoCo of Greenlake, Inc.
 Hong Kong Commodities Guarantee Corporation
 Hoteles De Honduras, S.A.
 Housing Investment Corporation
 Hull 1882 Pty., Ltd.

Hull 1883 Pty., Ltd.
Industrial Finance Corp. of Thailand
Institut de Reescompte Et De Garantie
Interactive Data GmbH
Interactive Data Services, Inc.
Inter-Americas Assessoria Financiera Limitada
International Investment Corporation For Yugoslavia, S.A.,
The
Inversiones Atlantida, S.A.
Inversiones Lomesa, S.A.
Jaccs Co., Ltd.
Jever Limited
Jo-Gunn, Inc.
Kam Yuan Choy Mo (Hong Kong) Limited
Kendale Towers Inc.
Kendale Acres West of Miami, Inc.
Kitakanto Lease Co., Ltd.
Knollwood Land Co., Inc.
Koru Limited
LMS Imoveis Limitada
LaCosta Land Company, Inc.
Lead Caribe, S.A.
Lead de Centroamerica, S.A.
Lead Marketing, Inc.
Lake Solarius Properties Corp.
Lakeland Plaza Shopping Center Inc.
Lar Brasileiro Administracao E Servicios, S.A.
Latin American Agribusiness Development Corporation
Laura Pty., Limited
Layang Limited
Le Tourneau Center of Tampa, Inc.
Leasing Nominees Ltd.
Leasing Lar Brasileiro, S.A.
Lee County Properties, Inc.
Lexington Properties Corp.
Liberia Hotels Incorporated
Libra Bank Limited
Libra Bank (Cayman) Ltd.

Libra Bank International, S.A.
 Libra (Finance) Assessoria Financeira Limitada
 Libra Financial Services, Inc.
 Libra Holdings, Ltd.
 Libra International Bank, S.A.—Panama
 Libra Nominees Limited
 Lindfield Shopping Centre Pty. Ltd.
 Libra Trust Limited
 Long Bayou, Inc.
 Long Beach Leasing Limited
 M&M Minerals Corporation
 Maatschappij Voor Investeringscrediet 'MAVIC,' N.V.
 Maatschappij Voor Trust en Administratiezaken B.V.
 Malaysia Export Credit Insurance Berhad
 Managed Securities, Ltd.
 Managistics, Inc.
 Mantova Limited
 Manufacturera Latino-Americana, S.A.
 Mayfair Housing of Atlanta Corp.
 Medical Offices of Northwest Atlanta, Inc.
 Meiko Enterprise Co., Ltd.
 Middle-Mooney Property Corp.
 Midway Development, Inc.
 Mij Tot Verhuur En Financiering Van Bedrijfamiddelen Lease
 Plan Nederland, N.V.
 Minnesota Holdings
 Moto Lease B.V.
 MTBC Leasing Co., Ltd.
 Multivac Trading International Corporation, S.A.
 N.S. Leasehold, Inc.
 N.V. Effectenbewaarbedrijf van de Nederlandse Credietbank,
 N.V.
 Nagano Lease Co., Ltd.
 Nassau Racquet Club, Inc.
 National Acceptance Corp., Pty. Ltd.
 National Alliance Insurance Co., Ltd., The
 National Bank for Industrial and Touristic Development
 National Investment Bank for Industrial Development, S.A.

Nederlandse Credietbank N.V.
 Nederlandse Credietbank (Deutschland) A.G.
 Nederlandse Credietbank (Overseas) N.V.
 Nederlandse Credietversekering Maatschappij, N.V.
 Nederlandse Participatie Maatschappij, N.V.
 Nedlibra Finance, B.V.
 Nigerian Textile Mills, Ltd.
 Nihon Dental Lease, K.K.
 Norbax, Inc.
 Nordlaw Inc.
 North Central Medical Properties, Inc.
 North First Gish Corp.
 NQB Corp.
 ORE Properties, Inc.
 Oceania Capital Corporation Limited
 Oceanic Shares Corporation
 Octogonal Empreendimentos Ltda.
 Ohita Lease Co., Ltd.
 Omnibus Leasing (1978) Limited
 One Fourteen (114) Lease Co., Ltd.
 14277 S.W. 62nd Street Corporation
 Orion Apartments, Inc.
 Overseas Realty Corp.
 Overseas Realty Corporation of Panama, Inc.
 Overseas Shares Corporation
 PAIC Builders, Inc.
 PAIC Finance Corporation
 PAIC Insurance Advisors Agency, Inc.
 PAIC Securities Corporation
 P.P.W., Inc.
 P.P.W. Sewer Co., Inc.
 P.P.W. Water Co., Inc.
 P.P.W. Holdings Limited
 Pan American Shares Corporation
 Papeles Y Cartones, S.A.
 Payroll Corporation of America
 Perimeter Tower North, Inc.
 Peruinvest—Compania De Fomento E Inversiones, S.A.

Petako Pty. Ltd.
 Philippine American Investments Corporation, The
 Pinebrook Kew Gardens, Inc.
 Polisac, S.A.
 Port Dearborn Corporation
 Portadown Discounts, Ltd.
 Private Export Funding Corporation
 Private Investment Company for Asia, S.A.
 Promenade Incorporated
 Publicitaria Tecnica Hondurena
 Purcoil (One) Limited
 Purcoil (Two) Limited
 R.M. Apartments Corp.
 R.P. Developments, Ltd.
 Real Estate Enterprises Pty., Ltd.
 Representative, Inc.
 Rijnbank N.V.
 Eittenhouse Capital Corporation
 River Road Corp.
 Robles Del Mar, Inc.
 S.H. Investment and Development Corp.
 Sample Road—Woodside Drive Corporation
 Sandarac Properties, Inc.
 Saudi Investment Banking Corporation
 Seventy-Seven (77) Lease Co., Ltd.
 Shona Limited
 Societe de Developpment Regional Antilles
 Societe Forestiere Et Industrielle De Balabo (Sofibel)
 Societe Immobiliere Rue Pierre Fatio 11
 Societe Nationale De Credit A L'Industrie, S.A.
 Societe Textile de Kisangani (SOTEXKI)
 Society for Worldwide Interbank Financial Telecommunication
 S.W.I.F.T.
 South Atlantic Shares Corporation
 Southwinds of Miami, Inc.
 Standish Financial Corporation
 Statewide Facilities Corporation
 Sunrise Lakes Drive East Corp.

'T Mooge Huyslevensverzekeringen Van 1891, N.V.
 Tavu Limited
 The Mini Warehouse of Irondale, Inc.
 The Oaks of Broward, Inc.
 The Villas of Fort Myers Beach, Inc.
 The Villas of S.W. 120th Avenue, Inc.
 The Villas of South Dade, Inc.
 Three Oaks Road Corp.
 Trans-Tasman Limited
 Tree Creek, Inc.
 'Triba' B.V.
 Trodyne Corporation
 Twin Oaks Plaza of Gibsonton, Inc.
 Uni-Card Company
 Uni-Card Corporation
 Uni-Card Inc.
 Union Financiere Pour Le Developpement De L'Economie
 Cerealiere (Unigrains)
 Union Provinciale Immobiliere, S.A.
 Uni-Serv Company
 Uni-Serv Corporation
 Uni-Serv Limited
 Venetian Bay View of Naples, Inc.
 Vernon 220 Corporation
 Video Corporation of America
 Virgo Holdings Inc.
 Webb Dock No. 5 Containers Terminal Limited
 Western Hemisphere Life Insurance Co.
 West Hartsdale Avenue Properties Corporation
 Westport Nominees Limited
 Wilmington International Corporation
 Windmill Lake Inc.
 Wolf—San Juan Leasing Corp.
 Woodside Sharon, Inc.
 Wun Holdings Inc.
 Yamagata Diamond Lease Co., Ltd.
 Yarraluma Land Trust
 Zermatt

INTERVENING DEBENTUREHOLDERS

Acadiana Place One Partnership in Commendam
Alexandria Country Club Apartments
Alleghany Corporation
American Homestead Corporations
American National Bond Fund, Inc.
American National Growth Fund, Inc.
American National Income Fund, Inc.
American National Money Market Fund, Inc.
Atrium-Encino, Ltd.
Augusta Green Associates
Baker Avenue Associates
Barker's Landing No. 3
Bedford Plantation, Inc.
Block 836-D, Ltd.
Bloomington Hotel Investors
Brookhollow Joint Venture
Buffalo Savings Bank (successor to Union Dime Savings Bank)
C. L. Machinery Company
Chapman 1980 Exploration and Development Venture
CIGNA Corporation
Cobblestone Associates
Conergics Corporation
Connecticut General Corporation
Connecticut Mutual Financial Services Series Fund I, Inc.
Connecticut Mutual Liquid Account, Inc.
Constitutional Insurance Company of Canada
Continental Towers Associates I
Continental Towers Associates II
Continental Towers Associates III
Country Capital Income Fund, Inc.
Crow-Biltmore Venture
Deptford Limited Partnership
DHC, Inc.
Diamond M Eagle, Ltd.
Diamond M Falcon, Ltd.
Diamond M Hunter, Ltd.

Dillard's Department Stores, Inc.
Diversified Pension Services, Inc.
Don Cesar Resort Hotel, Ltd.
Dorado Beach Hotel Corporation
Dunphil Joint Venture
Educators Life Insurance Company of America
1100 Wayne Avenue Associates Limited Partnership
Elton Road Associates Limited Partnership
Erievue Associates
Fidelity Bankers Life Insurance Company
Fifth and Race Company
First Variable Life Insurance Company
Franklin Financial Corporation
Gal-Tenn Corporation
Gal-Tex Hotel Corporation
GAMMA INAC, Inc.
Glendale Associates
Hamilton Brothers—INSCO Limited
Hanson-Palmer Associates Limited Partnership
Harfree Holdings Limited
Hedgemore Plaza Associates
Hotel Brunswick, Inc.
Horace Mann Life Insurance Company
Illinois Agricultural Association
Illinois Agricultural Holding Co.
INA Annuity Money Market Fund, Inc.
INA Benefit Services Company
INA Life Insurance Company
INA Life Insurance Company, Ltd.
INA Life Insurance Company of Canada
Investors Diversified Services, Inc.
Investors Life Insurance Company of North America
JTX Club, Inc.
Jackson Place Venture
Kings Crossing Associates
Koll Tustin Business Center, Ltd.
L. S. Holding Company
Leisure Communities, Inc.

Lincoln Eastridge Phoenix Associates
Lincoln Northwood Village Associates Limited
Logan Land Company, Inc.
Marina Airport Building, Ltd.
MarketDyne International, Inc.
MarketDyne of Canada Limited
Matson Place Corporation
Maui Surf Hotel Company
Medical Education Life Fund, Inc.
Membership Assistance Corporation
Meridian Tower Associates
MLS 1980 Gulf Coast Exploration and Development Venture
Monarch Capital Corporation
Monarch Investment Management Corporation
Monarch Resources, Inc.
Monarch Securities, Inc.
Monumental Corporation
MONY Mortgage Investors, Inc.
The Moody Foundation
The Moody National Bank of Galveston
Mosbacher—L.S.H.C., Ltd.
Mutual of Omaha International, Ltd.
Mutual of Omaha Fund Management Company
Mutual of Omaha Insurance Company
National Health Care Corporation
New ASC, Inc.
New Enterprise Associates L.P.
Northbelt Plaza Associates, Limited
Northcoast Investment Corporation
Northland Center Limited Partnership
Norton Life Insurance Company
Oakwood Garden Apartments
Omaha Financial Life Insurance Company
The Omaha Indemnity Company
One Logan Square Associates
Palmetto Federal Savings and Loan
Paragon Place Associates
Park West Two Associates

Pavilion Venture
Penn Charlotte Associates
Penn-Crossroads Associates Limited
Penn Irvine Associates
Penn Lenexa Associates
Penn Lodge Associates
PennMarc Centre Associates
Penn Oaks Associates Limited
Penn-Park Place Associates
Penn-Sutton Associates
Penn Westchase Associates
Penn Westwood Associates
Philadelphia Drilling Company
Philadelphia Eagle Drilling
Philadelphia Falcon Drilling Corporation
Philadelphia Investment Corporation
Philadelphia Investment Corporation of Delaware
Philadelphia Jefferson Corporation
Port Plaza Equities Limited Partnership
Pueblo Mall Limited Partnership
Quail Ridge II Associates
R&B Executive Investments—Westchase Associates
Rasmussen Agency, Inc.
Regency Hill Associates
Remote Technologies Limited Partnership
Reston Office—1 Incorporated
Rodney Square Associates
The St. Paul Companies, Inc.
St. Paul Fire & Marine Insurance Co.
San Felipe Agricultural Manufacturing & Irrigation Company
Scottsdale Executive Center Venture
Secon Properties
Senate Avenue Associates Limited Partnership
Shared Diagnostic Services, Inc.
Silver Lakes Ranches Company, Inc.
1667 K St. N.W. Associates Limited Partnership
1627 K St. N.W. Associates Limited Partnership
Southern Hills Associates

Southpoint Partnership in Commendam
 Sower House Associates
 Springfield Insurance Company, Inc.
 Stoneridge Limited
 Sunset Venture I
 Tele-Trip Company, Inc.
 1015 Fifteenth St., N.W. Associates Limited Partnership
 13th & G St. Limited Partnership
 Three Village Associates
 Transco 1980 Exploration and Development Venture
 Tulsa Limited Partnership
 1225 Eye St., N.W. Associates Ltd. Partnership
 2525 East Arizona Biltmore Circle Corporation
 United National Corporation
 Universal Associates
 The University Life Plan, Inc.
 Wallace—Lunt Joint Venture
 Washington Heights Associates
 Washington National Corporation

MANUFACTURERS HANOVER TRUST COMPANY

Manufacturers Hanover Corporation
 Al Saudi Banque
 Anglo Romanian Bank, Ltd.
 Anglo Yugoslav (Ltd) Limited
 Arrendadora Bancomer S.A. de C.V.
 Arrendadora Banpesca S.A. de C.V.
 Banco Argentino de Inversion, S.A.
 Banco de Guayaquil
 Banco Unido de Fomento
 Bank Mendes Gans, N.V.
 Banque de L'Union Haitienne, S.A.
 CABC Inc.
 Compania Financiera Dominicana S.A.
 Corporacion Financiera Colombiana
 Credit Bank
 Hanover Nominees Limited

Inversiones de Fomento Alcantara, S.A.
 Industrial Finance Corp. of Thailand
 Industrialization Fund of Finland
 Iselin-Jefferson Factors Inc.
 ITR Properties Inc.
 ITR Properties Maryland Inc.
 ITR Properties of NYC Inc.
 Korea Industrial Leasing Co., Ltd.
 Malaysian Industrial Development Finance Ltd.
 Manhan Nominees (H.K.) Limited
 Manufacturers Hanover Arrendamento Mercantil, S.A.
 Manufacturers Hanover Asia, Ltd.
 Manufacturers Hanover Asset Management Limited
 Manufacturers Hanover Bank/Belgium, S.A.
 Manufacturers Hanover Bank of Canada
 Manufacturers Hanover Bank (Guernsey) Ltd.
 Manufacturers Hanover Bank Luxembourg
 Manufacturers Hanover Bank Nordique
 Manufacturers Hanover Commercial Corporation (Del.)
 Manufacturers Hanover Commercial Corporation
 Manufacturers Hanover Consumer Services
 Manufacturers Hanover Credit Corporation Ltd.
 Manufacturers Hanover Dealerplan Ltd.
 Manufacturers Hanover Executor & Trustee Company Limited
 Manufacturers Hanover Export Finance Ltd.
 Manufacturers Hanover Financial Corporation
 Manufacturers Hanover Home Finance Ltd.
 Manufacturers Hanover Holding (Delaware) Inc.
 Manufacturers Hanover Industrial Finance Holdings, Inc.
 Manufacturers Hanover Industrial Finance Ltd.
 Manufacturers Hanover International Banking Corporation
 Manufacturers Hanover International Corporation
 Manufacturers Hanover International Finance Corporation
 Manufacturers Hanover International Holdings Corp.
 Manufacturers Hanover Leasing Canada
 Manufacturers Hanover Leasing Corporation
 Manufacturers Hanover Leasing de Venezuela, S.A.
 Manufacturers Hanover Leasing Ltda.

Manufacturers Hanover Leasing Nassau, Ltd.
 Manufacturers Hanover Leasing S.A.E.
 Manufacturers Hanover Leasing S.p.A.
 Manufacturers Hanover Limited
 Manufacturers Hanover London Ltd.
 Manufacturers Hanover Mortgage Corporation
 Manufacturers Hanover, N.A.
 Manufacturers Hanover Nominees (Guernsey) Ltd.
 Manufacturers Hanover Overseas Capital Corporation
 Manufacturers Hanover Property Services A.G.
 Manufacturers Hanover Property Services Ltd.
 Manufacturers Hanover (Suisse) S.A.
 Manufacturers Hanover Trust Company
 Manufacturers Hanover Trust Co. of Florida
 Manufacturers Hanover Trust Holding (Del.)
 Manufacturers Hanover U.K. Holdings Ltd.
 Manufacturers Hanover Venture Capital Corporation
 Manufacturers Nominees Limited
 MH/Edie Investment Counsel
 MHT Servicos & Administracao Ltda.
 Modern Portfolio Theory Associates, Inc.
 National Investment Bank for Industrial Development
 Ocean Acceptances (London) Ltd.
 Poliolefinas
 Private Export Funding Corp.
 Private Investment Co. for Asia
 P.T. Finconesia
 P.T. Manufacturers Hanover Leasing Indonesia
 SIFIDA
 Societe de Financement et de Development Immobiliere
 Societe Immobiliere de la Place du Marche Saint-Honore
 Southeast Asia Development Corp., Ltd.
 SWIFT
 Tokyo Lease Co., Ltd.

UNION PLANTERS NATIONAL BANK OF MEMPHIS

**Bank of Eagleville
Brenner Stead & Associates
Chickasaw Capital Corporation
Cleve Business Trust
Hamilton First Bank, N.A.
Handelskredit Bank, A.G.
HHUP of Memphis, Inc.
Indianapolis Business Trust
Madison Loan & Thrift Company
Planters Agricorp, Inc.
Planters Business Trust
Planters Life Insurance Company
Turks & Caicos Banking Co., Ltd.
Union Planters Bank of Nashville
Union Planters Corporation
Union Planters International Bank
Union Planters Risk Management
Westleigh Investment Ltd.**